



Our ref A03322/201801
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The Department of Mines, Industry Regulation and Safety Stakeholder
Sent via Departmental website

PROPOSED ROYALTY RELATED AMENDMENTS TO MINING REGULATIONS 1981

The Department of Mines, Industry Regulation and Safety (DMIRS) plans to amend the Mining Regulations 1981 (the Regulations) to clarify the wording of Regulation 86 and you are invited to provide a comment and / or submission on this matter.

Regulation 86 currently outlines which royalty rates apply to which mineral for calculating royalties but it does not always specify the processed form to which the royalty rate applies. This may lead to ambiguity in applying the appropriate royalty rate when minerals are sold in different forms.

The proposed amendments to Regulation 86 will not alter the existing royalty rates. The amendments will ensure that royalty rates are applied in a manner that is consistent with Western Australia's royalty principles. Under these principles, royalty rates are applied as follows:

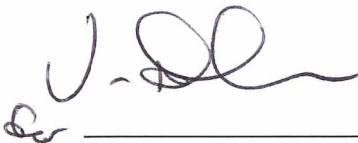
- 7.5 per cent - bulk material (subject to crushing or screening);
- 5 per cent - mineral concentrates (subject to upgrading);
- 2.5 per cent - minerals in metallic form or a form of equivalent level of processing;
- \$0.73 cents - low value construction material (rate per tonne); and
- \$1.17 cents - metallurgical material (rate per tonne).

There are a number of minerals that need to be amended under Regulation 86 to indicate their individual level of processing, appropriate for each royalty rate.

Mineral Regulation 86	Processed Form
Bauxite 7.5 per cent	Crushed or Screened
Chromite 5 per cent	Concentrate
Coal – exported 7.5 per cent	Crushed or Screened
Ilmenite 5 per cent	Concentrate
Iron ore other than beneficiated ore 7.5 per cent	Crushed or Screened
Leucoxene 5 per cent	Concentrate
Lithium Minerals 5 per cent	Concentrate
Manganese 7.5 per cent	Crushed or Screened
Nickel 2.5 per cent	Metallic form
Platinoids 2.5 per cent	Metallic form
Rutile 5 per cent	Concentrate
Silver 2.5 per cent	Metallic form
Zircon 5 per cent	Concentrate
Sand \$0.73	Used for construction purposes
Silica \$1.17	Used for metallurgical purposes

If you would like to discuss the proposed changes, please call Vince D'Angelo on 9222 3524. If you would like to submit a comment to DMIRS on the matter, please email royalty.returns@dmirs.wa.gov.au by 20 July 2018.

Yours sincerely



David NORRIS
General Manager
Financial Compliance

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